

November 17, 2006

Mellon Investor Services LLC Newport Office Center VII 480 Washington Blvd. Jersey City, New Jersey 07310 Attention: Michael Battista

Stephan Oppenheimer CCMP Capital Advisors, LLC 245 Park Avenue, 16th Floor New York, New York 10167-2403

James D. Houghton c/o Megunticook Management 143 Newbury Street, 6<sup>th</sup> Floor Boston, MA 02116

Kevin O'Hare 64 Springs Drive Doylestown, PA 18901

Dear Sirs,

Reference is made to (a) that certain Agreement and Plan of Merger, dated as of March 21, 2005 (the "Merger Agreement"), by and among One Communications Corp. (as successor in interest to CTC Communications Group, Inc., a Delaware corporation, which merged with and into such company on June 30, 2006) ("Acquirer"), CTC Communications Acquisition Corp., a Delaware corporation and wholly-owned subsidiary of Acquirer ("Merger Sub"), and Lightship Holding, Inc., a Delaware corporation (the "Company"), (b) that certain Escrow Agreement, dated as of May 20, 2005 (the "Escrow Agreement"), by and among, the Acquirer, members of the Stockholder Representative Committee signatories thereto (collectively, the "Stockholder Representatives"), as representatives of the former stockholders of Lightship (the "Holding Stockholders"), and Mellon Investor Services LLC, a New Jersey limited liability company (the "Escrow Agent"), (c) Acquirer's October 11, 2005, October 31, 2005, November 21, 2005, December 12, 2005 and October 6, 2006 letters to the Stockholder Representatives and the Escrow Agent (each a "Claim Letter" and collectively "Claim Letters"); and (d) Stephan P. Oppenheimer's October 21, 2005, November 14, 2005, December 5, 2005, December 22, 2005 and July 21, 2006 letters to Acquirer and Escrow Agent on behalf of the Stockholder Representatives (each a "Stockholder Representative Letter" and, collectively, the "Stockholder Representative Letters").

This letter shall constitute an additional Claim Notice pursuant Section 8(d) of the Merger Agreement and a further Notice of Claim pursuant to section 2(c) and Section 4 of the Escrow Agreement given by Acquirer on behalf of itself and Merger Sub. Terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Escrow Agreement.

Acquirer has incurred, and in good faith reasonably believes that it will in the future incur, Losses (as defined in the Merger Agreement) in an amount that exceeds \$20,000,000.00. These losses arise from, and are proximately caused by, tortious conduct, conduct constituting breach of contract, and violations of federal securities laws, arising from misrepresentations, omissions, and the intentional effort to obscure from Acquirer material facts associated with what Acquirer later learned were Lightship Telecom LLC's ("Lightship") wrongful and illegal business practices in Maine, New Hampshire and Vermont. Supporting documentation is attached hereto as Exhibit "A". These Losses are summarized as follows.

Acquirer has discovered, following a lengthy investigation, that prior to Closing, Lightship was engaged in illegal conduct, primarily in Maine, but also in Vermont and New Hampshire, through which it charged Verizon higher rates for certain types of telecommunications traffic, in contravention of its interconnection agreement ("ICA") with Verizon, its various tariffs, FCC implementation rules, and the rulings and policies of the Maine Public Utilities Commissions ("PUC"). These illegal higher charges resulted in an artificial increase in Lightship's revenues, and consequently in grossly over-inflated margin and EBITDA. Because synergized EBITDA was the primary valuation mechanism used by Acquirer in valuing the Company, and because Acquirer paid a purchase price equal to approximately seven times synergized EBITDA for the Company, the inflated EBITDA value caused a fraudulent inflation of the purchase price. An adjustment to the Company's EBITDA to reflect the correct value for the subject traffic in the above referenced jurisdictions indicates the Company's EBITDA was overvalued by approximately \$700,000.00 per month.

The subject conduct (the "Fraudulent Conduct") can be summarized as follows. First, Acquirer has discovered that Lightship had been charging intrastate access charges rather than reciprocal compensation to Verizon for non-ISP bound traffic originating on Verizon's network, based on local calling areas designed by Lightship, rather than by Verizon. The Lightship defined local calling areas were significantly smaller that their Verizon counterparts. This conduct was contrary to the terms of Lightship's ICA<sup>1</sup>, and violated general principles of tariff interpretation. It was also inconsistent with judicial interpretations of the FCC's ISP Remand Order and underlying FCC policy, as well as the Maine PUC's orders. Lightship should have been charging Verizon reciprocal compensation for all non-ISP bound traffic originating on Verizon's network and terminating on Lightship's network within the same non-optional calling area.

¹ For example, Amendment No. 1 to the Lightship-Verizon interconnection agreement provides, in its definition of Reciprocal Compensation Traffic subject to the reciprocal compensation rate, that "determination of whether Telecommunications traffic is Exchange Access or Information Access shall be based upon Verizon's local calling areas as defined by Verizon." (emphasis supplied) See, Exh. A.

For ISP bound traffic in Maine, Lightship's conduct was also impermissible. Acquirer discovered that Lightship had been charging Verizon intrastate access charges for this traffic, where the traffic originated and terminated within the same Verizon local calling areas, but in different, smaller, Lightship defined calling areas. This conduct was inconsistent with the FCC's ISP Remand Order, and the policies of the Maine PUC.

Acquirer also discovered that Lightship was billing Verizon reciprocal compensation or intrastate access charges for traffic that originated on the network of a third carrier and transited Verizon's network before terminating on Lightship's network, where Verizon was not serving as an interexchange carrier for that traffic. This practice also disregarded the definition of "Reciprocal Compensation Traffic" in Amendment No. 1 of the ICA, and has provided Verizon with grounds upon which to claim that it has been fraudulently billed. In addition, Lightship appears in some instances to have been billing both the third party originating carrier and Verizon for the same charges for the same functions, in violation of Lightship's interstate access tariff.

Finally, Acquirer has also learned that Lightship was offering VNXX services in Maine, Vermont and New Hampshire for ISP bound traffic terminating to an ISP outside the local calling area of the calling party, a practice prohibited in all three states.

The knowledge of this illegal conduct of its business operations in Maine, Vermont and New Hampshire was at all times prior to Closing exclusively within Lightship's control. Prior to the parties execution of the Merger Agreement, Acquirer engaged in detailed and reasonable due diligence. During the diligence period, Acquirer on numerous occasions requested clarification and explanation regarding Lightship's traffic patterns for its operations in Maine, New Hampshire, and Vermont. Lightship provided the requested explanations on multiple occasions, all of which supported its numerous representations that its business practices in Maine, New Hampshire and Vermont were in all respects appropriate and legitimate. These representations frequently were false. On other occasions, Lightship Representatives and certain Holding Stockholders deliberately omitted material facts which would have either revealed the illegal conduct, or which would have lead Acquirer to its discovery. Acquirer has since discovered documents which clearly show that Lightship's senior management, including at least some Holding Stockholders, actively discussed how to respond to inquiries regarding these issues from Acquirer's diligence team, in a manner which would conceal the true facts. The evidence strongly supports a finding that the Company and Lightship both negotiated and executed the Merger Agreement with full knowledge that they were concealing material facts crucial to the transaction, facts which Acquirer sought to discovery prior to signing and then again prior to Closing, facts which would have caused Acquirer to dramatically reduce the purchase price it would have been willing to pay, or which might have caused Acquirer not to proceed with the transaction at all.

Actionable representations by certain Holding Stockholders and Lightship's employees, agents and controlling persons, in addition to the representations and warranties set forth in the Merger Agreement, can generally be categorized as follows.

Representations Regarding Lightship's EBITDA: Lightship representatives and certain Holding Stockholders made representations to Acquirer regarding Lightship's

Filed 09/17/2007

EBITDA, including calculations of EBITDA which incorporated the inflated earnings arising from Lightship's illegal use of self-defined calling areas in Maine, and other improper practices in Maine, New Hampshire and Vermont. Those representations were false at the time they were made, and the evidence clearly indicates that the Company, Lightship and certain Holding Stockholders were aware of their falsity.

Representations Regarding Traffic Patterns In Maine: When Acquirer inquired about Lightship traffic patterns in Maine, New Hampshire and Vermont, those inquiries were directed to Lightship representatives and certain Holding Stockholders, and included requests for explanation of those traffic patterns. Lightship representatives and certain Holding Stockholders provided explanations for these traffic patterns, and none of them disclosed the true facts. To the extent that these Lightship representatives and certain Holding Stockholders responded with statements of what they claimed were existing facts but which were in fact false, those statements constitute actionable fraud. To the extent that these statements and explanations by Lightship representatives and certain Holding Stockholders omitted material facts which would have revealed their falsity, Lightship representatives and certain Holding Stockholders engaged in fraudulent concealment of those material facts, and/or omitted those material facts from their explanations in blatant disregard of an obvious duty of disclosure.

Representations Regarding The Lawful Conduct Of Lightship's Business: Throughout the diligence process, Lightship representatives and certain Holding Stockholders repeatedly represented to Acquirer that all of Lightship's business operations were in compliance with applicable laws, regulations, and contract commitments. Those statements were false at the time they were made because Lightship's use of self defined calling areas in Maine and other wrongful and illegal practices in Maine, New Hampshire and Vermont violated, inter alia, applicable Maine, New Hampshire and Vermont statutes and regulations, and the terms and conditions under which it was continuing to do business with Verizon in those states. Those statements were made either with knowledge of their falsity, or made under circumstances where with the exercise of reasonable care Lightship representatives and certain Holding Stockholders should have known of their falsity.

The subject Fraudulent Conduct has created a vast array of potential civil, and in some cases criminal liability for Acquirer, its officers and directors.<sup>2</sup> By way of example only, Verizon could now file a complaint with the Maine PUC for violation of Lightship's tariff. The PUC has authority to levy fines for violations of state law and can also order disgorgement of profits realized as a result of these violations. The Fraudulent Conduct also exposes Acquirer to claims against Lightship under Section 208 of the Communications Act of 1934 for violation of federal law and FCC implementing regulations and to the concomitant FCC administrative fines. Verizon also consequently has claims against Acquirer, for all amounts improperly billed by Lightship in the above referenced illegal scenarios.3

<sup>3</sup> The precise amount of this over billing has not been precisely determined at the time. It is substantial.

<sup>&</sup>lt;sup>2</sup> By way of example only, criminal exposure could arise, inter alia, from a charge of conspiracy to defraud the United States under 18 U.S.C. §371. Federal prosecution could take the form of a charge that Lightship defrauded the government of a significant portion of the USF payments rightly due by affirmatively disguising a large portion of its telecommunications revenue as enhanced/information services.

The multiple misrepresentations and omissions violative of the duty of disclosure at issue here were deliberate, and constitute nothing less than actionable fraud. They also violate federal securities laws and Security and Exchange Commission rules, including, inter alia, 15 U.S.C. § 78(j)(b) and SEC Rule 10b-5. Lightship's conduct also constitutes multiple breaches of representations, warranties, and pre-closing covenants contained in the Merger Agreement, including but not limited to, Sections 4(e)(i), 4 (e)(ii), 4(e)(iii), 4(e)(iii), 4(e)(iii), 4(h)(i-iv), 4(i), 4(k)(iii), and pre-closing covenants contained, inter alia, in Sections 5(c)(xv, xx), 5(e), and 5(g). Because these claims arise from Lightship conduct that was both illegal and fraudulent, no time, source of recovery, Indemnification Basket, Indemnification Cap, or aggregate loss limitations apply. See, Merger Agreement. Section 8(f)(viii).

This letter is submitted without prejudice to any of the rights and remedies of Acquirer and Merger Sub under the Merger Agreement, the Escrow Agreement or any other Transaction Document or applicable law. Without limiting the foregoing, Acquirer and Merger Sub expressly reserve all of their rights and remedies with respect to the Funds and the Escrowed Property, including, without limitation, the right to recover from the Escrow Account the aggregate amount of losses claimed under the Claim Letters. Moreover, nothing in the Claim Letters or the Exhibits thereto or this letter (including, without limitation, the Stockholder Representatives' access to Messrs. Zeitvogel or, Koester and/or Ms. Knott or Ms. Bergeron) shall constitute (a) an admission or suggestion that any of the Claim Letters did not constitute a valid and effective Claim Notice under the Merger Agreement or Notice of Claim under the Escrow Agreement, (b) a waiver of any rights or remedies of Acquirer or Merger Sub relating to, arising from, any failure or waiver of any rights or remedies of Acquirer or Merger Sub relating to, or arising from, any failure of the Stockholder Representatives to deliver a valid Objection in a timely and proper manner, as required by the Merger Agreement and the Escrow Agreement, or (c) an admission as to any of the matters or allegations contained in the Stockholder Representatives' Letters, all of which are expressly reserved.

Very truly yours,

One Communications Corp., as successor in interest to CTC Communications Group, Inc.

Name. James P. Prenetta, Jr.

Title: Executive Vice President and General Counsel

cc: Kleinbard, Bell & Brecker LLP 1900 Market Street, Suite 700 Philadelphia, Pennsylvania 19103 Attention: Ralph J. Mauro, Esq.

> Mark Resnick, Esq. Fee, Rosse & Lanz, P.C. Old City Hall 45 School Street, 2nd Floor Boston, MA 02108

PUC N	ME No. 15 Exchange and No:	. Services Section 6 Page 1 . Revision	
Verizo	on New England Inc. Canceling Verizon Maine	: Revision	
6. 6.1	Local Service Areas and Other Exchange Services Local Service Areas		
0.1	The rates and charges for services explained herein are contained in Part M.	~ 1.6	
6.1.1	Local Service Calling Areas	AV	(C) (C)
A.	Local Service Calling Area is an arrangement provided on a non optional basis we service area of an exchange is enlarged by combining it with one or more additionarder to eliminate MTS charges.	ne local anges in	(0)
В.	The local service of each exchange or locality includes all the central offices and exchange (refer to Exhibit 6.1.1-1). The local service area of the exchange offered under the following service options.	in the	
1.	Premium Service—Provides for unlimited calling within the exchange or localing exchanges and localities included in the local service area.	*Sonal	
a.	The local calling service area for Centrex, PBX, PASL, and FX service custo- local service area.	ium	
2.	Economy Service— Provides for unlimited calling within the exchange or a additional exchanges and localities that are not rated at the economy service local within the local service area. Calls made outside the economy local service area premium local service area are charged the economy service local usage rate which on a per minute basis.	and all sage rate with the assessed	(C) (C) (C)
C.	For exchanges served by more than one central office and that have a premium that includes more than 50,000 weighted main telephone exchange lines the service area includes only the exchange itself.	ice area ny local	
D.	Independent Telephone Companies and their operating territories/exchanges Section 5.2.6.	nified in	

(Issued: October 16, 2003)
Proposed Effective: November 15, 2003
Docket No. 2003-483
Effective: Effective: November 15, 2003
To be implemented on December 15, 2003.

Edward B. Dinan

**Exchange and Network Services** Part A Section 6 Page 2 Fifth Revision **Canceling Fourth Revision** 

Verizon-New England Inc. d/b/a/ Verizon Maine

#### Local Service Areas and Other Exchange Services 6.

#### **Local Service Areas** 6.1

6.1.1 Local Service	e Calling Areas Exhibit 6.	4.4	
Local Service C	alling Areas (an asterisk * d	esignates a noncontiguous exchange)	
Exchange or Locality	Economy Local Service Calling Areas	Premium Local Service Calling Area (includes the Economy Local Service Calling Area)	
Acton Locality	Acton, Limerick, Milton NH, Milton Mills NH, Sanbornville NH, Sanford	Lebanon, West Lebanon Locality*	
Ashland	Ashland, Presque Isle	Eagle Lake (IC), Washbum	((
Augusta	Augusta, Belgrade, Gardiner, North Whitefield, Readfield, Sidney (IC), West Gardiner (IC), Winthrop (IC)	E. Vassalboro (IC), Palermo* (IC), S. China (IC), Waterville	
Bangor	Bangor	Alton* (IC), Aurora* (IC), Bradford, Bucksport, Corinth, Eddington, Etna* (IC), Exeter* (IC), Hampden (IC), Hermon, Levant (IC), Newburgh* (IC), Old Town, Old Town Rural* (IC), Orono, Orrington, Otis* (IC), Stetson* (IC), Winterport*	
Bar Harbor		Bar Harbor, Ellsworth, Northeast Harbor, Southwest Harbor	
Bath	Bath, Brunswick, Wiscasset	Bowdoinham, Richmond	
Belfast	Belfast, Monroe, Searsport	Brooks (IC), Liberty* (IC), Lincolnville (IC), Lincolnville Beach (IC), Morrill (IC), Stockton Springs* (IC), Winterport	
Belgrade	Augusta, Belgrade, Oakland	Mt. Vernon (IC), Readfield, Rome (IC), Sidney (IC)	
Berwick Locality	Berwick Locality, Rochester NH, Somersworth NH, South Berwick, South Lebanon Locality	Dover NH*, Eliot Locality*, Lebanon, North Berwick	

(Issued: February 19, 2004) Proposed Effective: March 20, 2004 Effective: March 20, 2004

Edward B. Dinan President-ME

Docket No. 2004-137

**Exchange and Network Services** Part A Section 6 Page 3 Third Revision Canceling Second Revision

Verizon New England Inc. d/b/a/ Verizon Maine

### **Local Service Areas and Other Exchange Services** 6.

#### **Local Service Areas** 6.1

6.1.1 Local Servic	e Calling Areas		
Local Service Ca	Exhibit 6.1 alling Areas (an asterisk * de	esignates a noncontiguous exchange)	
Exchange or Locality	Economy Local Service Calling Area	Premium Local Service Calling Area (includes the Economy Local Service Calling Area)	
Biddeford .	Biddeford, Goodwin's Mills, Kennbunk, Kennebunkport, Old Orchard Beach	Bar Mill (IC), Scarborough	
Bingham	Bingham, The Forks	Athens (IC), Solon (IC)	
Blue Hill		Blue Hill, Castine, Ellsworth, Sedgwick	
Boothbay Harbor	Boothbay Harbor, Wiscasset	Damariscotta (IC)	
Bowdoinham	Bowdoinham, Brunswick, Lisbon Falls, Richmond	Bath, Litchfield (IC)	
Bradford	Bangor, Bradford, Corinth	Alton (IC), Dover Foxcroft, Levant (IC), Milo, Old Town (IC)	
Bridgton	Bridgton, Harrison	Casco (IC), Denmark (IC), Fryeburg (IC), Lovell (IC), Naples (IC), Raymond (IC), Sebago (IC)	((
Brownville	Brownville, Milo	Dover Foxcroft, Monson	1
Brunswick		Brunswick, Bath, Bowdoinham, Freeport, Harpswell, Lisbon Falls	
Bucksport	Bangor, Bucksport, Orrington	Castine, Eddington, Ellsworth, Stockton Springs (IC), Winterport	(
Calais	Calais, St. Stephen N.B. (IC), Woodland	Eastport, Pembroke, Princeton	
Camden	Camden, Lincolnville (1C), Lincolnville Beach (IC), Rockland	Dark Harbor*, Warren (IC), Union (IC)	
Caribou	Canbou, Fort Fairfield, Limestone, New Sweden, Presque Island, Washburn		
Castine	Castine, Blue Hill	Bucksport, Ellsworth, Sedgwick	L

(Issued: October 22, 2004) Proposed Effective: November 21, 2004 Effective: Effective: November 21, 2004

Edward B. Dinan President-ME

Docket No. 2004-746

**Exchange and Network Services** Part A Section 6 Page 4 Second Revision Canceling First Revision

Verizon New England Inc. d/b/a Verizon Maine

#### Local Service Areas and Other Exchange Services 6.

#### **Local Service Areas** 6.1

5.1.1 Local,	Service Calling Areas	
1 I Com	Exhibit 6.1.	1-1 signates a noncontiguous exchange)
Exchange or Locality	Economy Local Service Calling Area	Premium Local Service Calling Area (includes the Economy Local Service Calling Area)
Clinton	Clinton, Fairfield	Pittsfield, Skowhegan, Waterville*, Unity (IC)
Columbia	Columbia, Jonesport, Milbridge	Beddington (IC), Joneboro (IC), Machias
Corinth	Bradford, Corinth	Bangor*, Dexter, Dover Foxcroft, Exeter (IC), Levant (IC)
Cornish	Comish, Limerick	Denmark (IC), Limington (IC), Fryeburg (IC), Sebago (IC), Steep Falls (IC)
Cumberland	Cumberland, Portland, Yarmouth	Gray (IC), West Gray (IC)*, Pownal, Windham
Danforth	Danforth, Wytopitlock	Houlton, Princeton
Dark Harbor	Dark Harbor	Camden*
Deer Isle	Deer Isle	Sedgwick, Frenchboro* (IC), Isle Au Hauf* (IC), Matinicus* (IC), Swans Island* (IC)
Dexter	Dexter, Guilford	Corinna (IC), Corinth (IC), Dover Foxcroft, Exeter (IC), Hartland (IC), West Ripley (IC)
Dixfield	Dixfield, Rumford	Bryant Pond (IC), Canton (IC), Sumner (IC), Weld (IC), Wilton
Dover-Foxcroft	Dover Foxcroft, Guilford	Bradford, Brownville, Corinth, Dexter, Milo, Monson
East Millinocket	East Millinocket, Millinocket	Lincoln, Mattawamkeag (IC)
Easton		Easton, Fort Fairfield, Mars Hill, Presque Isle
Eastport	Eastport, Pembroke	Calais
Eddington	Bangor, Eddington	Aurora (IC), Bucksport, Ellsworth, Old Town, Orono, Otis (IC)
Eliot Locality	Dover NH, Eliot Locality, Kittery Locality, South Berwick	Barrington NH*, Berwick Locality*, Durham NH*, Newmarket NH*, Rochester NH*, Somersworth NH*, South Lebanon Locality*
Elisworth	Bar Harbor, Blue Hill, Ellsworth, Southwest Harbor, Sullivan	Aurora* (IC), Bucksport, Castine, Eddington, Franklin*, Frenchboro* (IC), Isle Au Haut* (IC), Matinicus* (IC), Northeast Harbor*, Ofis (IC), Swans Island* (IC)

(Issued: August 4, 2006) Proposed Effective: September 3, 2006

Effective: September 3, 2006

Edward B. Dinan President-ME

Docket No. 2006-128 To be implemented on September 4, 2006.

**Exchange and Network Services** Part A Section 6 Page 5 Second Revision **Canceling First Revision** 

Verizon New England Inc. d/b/a/ Verizon Maine

Local Service Areas and Other Exchange Services 6.

#### **Local Service Areas** 6.1

6.1.1 Local Service (	Calling Areas	and the section of th		
Exhibit 6:1.1-1  Local Service Calling Areas (an asterisk * designates a noncontiguous exchange)				
Exchange or Locality	Economy Local Service Calling Area	Premium Local Service Calling Area (includes the Economy Local Service Calling Area)		
Fairfield	Clinton, Fairfield, Oakland, Waterville	Albion (IC), Norridgewock (IC), Skowhegan, Unity (IC)		
Farmington	Farmingten, Wilton	Livermore Falls, Madison, Mercer (IC), Mt. Vemon (IC), New Vineyard (IC), Rome IC), Strong (IC), Weld (IC)		
Fort Fairfield		Caribou, Easton, Fort Fairfield, Limestone, Presque Isle		
Franklin	Franklin, Sullivan	Aurora (IC), Beddington (IC), Elisworth*		
Freeport	Brunswick, Freeport, Pownal, Yarmouth	Lisbon Falls, Portland*		
Frenchville	Frenchville, Madawaska	Fort Kent (IC), Grand Isle		
Gardiner	Augusta, Gardiner, Richmond, West Gardiner (IC)	Litchfield (IC), North Whitefield		
Goodwin's Mills	Biddeford, Goodwin's Mills	Bar Mills (IC), Kennebunk, Sanford, Waterboro (IC)		
Gorham .	Gorham, Portland, Scarborough, Westbrook, Windham	Bar Mills (IC), Standish (IC), West Buxton (IC)		
Grand Isle	Grand Isle, Madawaska, Van Buren	Frenchville		
Greenville	Greenville, Rockwood	Monson		
Guilford	Dexter, Dover-Foxcroft, Guilford, Monson	Harmony (IC), W. Ripley (IC)		
Harpswell		Brunswick, Harpswell		
Harrison	Bridgton, Harrison, Norway	Bethel (IC), Casco (IC), Lovell (IC), Naples (IC), North Lovell (IC), North Norway (IC), Oxford		
Hermon	Bangor, Hermon	Eina (IC), Hampden (IC), Levant (IC), Newburg (IC), Stetson (IC)		
Houlton	Houlton	Danforth, Island Falls (IC), Mars Hill, Smyrna Mills (IC)	](	
Jackman	Jackman	The Forks	اِ	

(Issued: December 4, 2003) Proposed Effective: December 15, 2003

Effective: December 15, 2003

Edward B. Dinan President-ME

Docket No. 2003-483 To be implemented on December 15, 2003.

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Part A Section 6
Page 6
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Canceling Second Revision

Verizon New England Inc. d/b/a/ Verizon Maine

## 6. Local Service Areas and Other Exchange Services

## 6.1 Local Service Areas

6.1.1 Local Service C	alling Area	
Local Service Calling	Exhibit 6.1.1-1 Areas and (an asterisk * des	ignates à noncontiguous exchange)
Exchange or Locality	Economy Local Service Calling Area	Premium Local Service Calling Area (includes the Economy Local Service Calling Area)
Jonesport	Columbia, Jonesport	Jonesboro (IC)
Kennebunk	Biddeford, Kennebunk, Kennebunkport, Wells	Goodwin's Mills, Sanford
Kennebunkport		Biddeford, Kennebunk, Kennebunkport
Kittery Locality	Eliot Locality, Kittery, Portsmouth NH, Rye Beach NH, York	South Berwick
Lebanon	Lebanon, North Berwick, Sanford	Acton, Berwick Locality, South Lebanon Locality, West Lebanon Locality
Lewiston	Greene (IC), Lewiston, Lisbon falls, Mechanic Falls, Potand (IC), Sabattus	Buckfield* (IC), Hebron (IC), Leeds* (IC), New Gloucester (IC), Turner (IC),
Limerick	Acton Locality, Comish, Limerick, Sanford	Limington, Waterboro
Limestone	Caribou, Fort Fairfield, Limestone	Van Buren
Lincoln	Lincoln	East Millinocket, Kingman* (IC), Lee* (IC), Mattawamkeag (IC), West Enfield (IC)
Lisbon Falls	Bowdoinham, Brunswick, Lewiston, Lisbon Falls	Freeport, Litchfield, New Gloucester (IC), Pownal, Sabattus
Livermore Falls	Livermore Falls, Readfield, Wilton	Canton (IC), Farmington, Leeds (IC),Mt. Vemon (IC), Tumer (IC)
Lubec	Lubec	Machias, Pembroke, Campobello Island, N.B. (IC)
Machias	Machias	Beddington (IC), Columbia, Jonesboro (IC), Lubec, Pembroke
Madawaska		Edmundston N.B. (IC), Frenchville, Grand Isle, Madawaska
Madison	North Anson (IC), Madison, Skowhegan	Athens (IC), Embden Lake* (IC), Farmington, New Vineyard (IC), Norridgewock (IC), North New Portland (IC); Mercer (IC), Solon (IC)

(Issued: December 4, 2003)

Proposed Effective: December 15, 2003

Effective: December 15, 2003

Edward B. Dinan President-ME

Docket No. 2003-483

To be implemented on December 15, 2003.

**Exchange and Network Services** Part A Section 6 Page 7 Third Revision **Canceling Second Revision** 

Verizon New England inc. d/b/a/ Verizon Maine

#### Local Service Areas and Other Exchange Services 6.

#### **Local Service Areas** 6.1

Local Service Call	Exhibit 6.1.1-1 ing Areas (an asterisk * design	ates a noncontiguous exchange)
Exchange or Locality	Economy Local Service Calling Area	Premium Local Service Calling Area (includes the Economy Local Service Calling Area)
Mars Hill	Easton, Mars Hill, Presque Isle	Houlton
Mechanic Falls	Lewiston, Mechanic Falls	Hebron (IC), Oxford, Poland (IC)
Milbridge	Columbia, Milbridge	Beddington (IC), Winter Harbor
Millinocket		East Millinocket, Millinocket
Milo	Brownville, Milo	Alton (IC), Bradford, Dover Foxcroft, West Enfield (IC)
Monroe	Belfast, Monroe	Brooks (IC), Newburgh (IC), Winterport
Monson	Guilford, Monson	Brownville, Dover Foxcroft, Greenville,
New Sweden	Caribou, New Sweden	Fort Kent (IC), Van Buren, Washburn
Newport	Newport, Pittsfield	Corinna (IC), Etna (IC), Hartland (IC), Plymouth (IC) Stetson (IC)
North Berwick	Lebanon, North Berwick, Sanford, South Berwick	Berwick Locality, Wells, York
Northeast Harbor	Bar Harbor, Northeast Harbor, Southwest Harbor	Ellsworth*
North Whitefield	Augusta, North Whitefield	Damariscotta (IC), Gardiner, Palermo (IC), Richmond, Sheepscott (IC), South China (IC), Waldoboro, Washington (IC)
Norway	Harrison, North Norway (IC), Norway, Oxford	Buckfield (IC), Hebron (IC), West Paris (IC)
Oakland	Belgrade, Fairfield, Oakland, Sidney (IC), Waterville	Norridgewock (IC), Rome (IC), Smithfield (IC)
Old Orchard Beach	Biddeford, Old Orchard Beach	Portland*, Scarborough
Old Town	Alton (IC), Bangor, Old Town, Old Town Rural (IC), Orono	Aurora (IC), Bradford, Eddington, West Enfield (IC)
Orono	Bangor, Old Town, Old Town Rural (IC), Orono	Eddington

(Issued: December 4, 2003) Proposed Effective: December 15, 2003

Effective: December 15, 2003

Docket No. 2003-483 To be implemented on December 15, 2003.

Exchange and Network Services Part A Section 6 Page 8 Ninth Revision First Draft of Eighth Revision

Verizon New England Inc. d/b/a Verizon Maine

- 6. Local Service Areas and Other Exchange Services
- 6.1 Local Service Areas

	Exhibit 6.1.1-1	Service evenandel
	g Areas (an asterisk design Economy Local Service Calling Area	ates a noncontiguous exchange)  Premium Local Service Calling  Area (includes the Economy  Local Service Calling Area)
Exchange or Locality Orrington	Bangor, Bucksport, Orrington, Winterport	Hampden (IC)
Oxford	Norway, Oxford	Casco (IC), Harrison, Hebron (IC), Mechanic Falls, Poland (IC)
Pembroke	Eastport, Pembroke	Calais, Lubec, Machias
Petricione Pittsfield	Newport, Pittsfield	Clinton, Hartland (IC), Plymouth (IC), Skowhegan, Unity (IC)
Portland	Portland	Bar Mills* (IC), Cumberland, Freeport*, Gorham, New Gloucester* (IC), Old Orchard Beach*, Pownal*, Scarborough, Waterboro* (IC), Westbrook, West Buxdon* (IC), Windham, Yarmouth, Gray (IC), West Gray (IC)
Pownal	Freeport, Pownal, Yarmouth	Gray/West Gray (IC), Cumberland, Lisbon Falls, New Gloucester (IC), Portland*
Presque Isle		Ashland, Caribou, Easton, Fort Fairfield, Mars Hill, Presque Isle, Washburn
Dinaston	Princeton, Woodland	Calais, Danforth, Vanceboro
Princeton	Rangeley	Moosehorn (IC), Phillips (IC), Stratton (IC)
Rangeley Readlield	Augusta, Livermore Falls, Readfield	Belgrade, Leeds (IC), Monmouth (IC), Mt. Vernon (IC), Winthrop (IC)
Richmond	Bowdoinham, Gardiner,	Bath, Litchfield (IC), North Whitefield, Sheepscott (IC), Wiscassett
Rockland	Camden, Rockland, Tenants Harbor, Thomaston, Vinal Haven	Frenchboro* (IC), Isle Au Haut* (IC), Matinicus* (IC), Swans Island* (IC), Union* (IC), Warren* (IC), Washington* (IC)
Dodgwood		Greenville, Rockwood
Rumford	Dixfield, Rumford	Andover (IC), Bethel (IC), Bryant Pond (IC), Locke Mills (IC), Roxbury Pond (IC), Weld (IC)
Sabatius	Lewiston, Sabattus	Greene (IC), Litchfield (IC), Lisbon Falls, Monmouth (IC)

(Issued: September 6, 2006)

Proposed Effective: September 9, 2006

Effective: September 9, 2006

Edward B. Dinan President-ME

Docket No. 2006-516

Exchange and Network Services Part A Section 6 Page 9 Second Revision **Canceling First Revision** 

Verizon New England Inc. d/b/a Verizon Maine

- Local Service Areas and Other Exchange Services 6.
- **Local Service Areas** 6.1

	Exhibit 6:1.1-1	the state of the s
Local Service Calli	ng Areas (an asterisk * design	ates a noncontiguous exchange)
Exchange or Locality	Economy Local Service Calling Area	Premium Local Service Calling Area (includes the Economy Local Service Calling Area)
Sanford	Acton Locality, Lebanon, Limerick, North Berwick, Sanford	Goodwin's Mills, Kennebunk, Waterboro (IC), Wells
Scarborough	Gorham, Portland, Scarborough	Bar Mills (IC), Biddeford, Old Orchard Beach, Westbrook*
Searsport	Belfast, Searsport	Stockton Springs (IC), Winterport
Sedgwick	Blue Hill, Sedgwick	Castine, Deer Isle
Skowhegan	Madison, Skowhegan	Athens (IC), Clinton, Embden Lake* (IC), Fairfield, Hartland (IC) Norridgewock (IC), North Anson* (IC), Pittsfield, Solon (IC)
South Berwick	Dover NH, Eliot Locality, Somersworth NH, Berwick Locality, North Berwick, South Berwick	Kittery Locality*, York
South Lebanon Locality	Berwick Locality, Milton NH, Rochester, NH, South Lebanon Locality, West Lebanon Locality	Barrington NH*, Dover NH*, Eliot Locality*, Lebanon, Somersworth NH*
Southwest Harbor		Bar Harbor, Ellsworth, Frenchboro* (IC), Isle Au Haut* (IC), Matinicus* (IC), Northeast Harbor, Southwest Harbor, Swans Island* (IC)
Sullivan	Ellsworth, Franklin, Sullivan, Winter Harbor	Aurora (IC)
Tenants Harbor		Rockland, Tenants Harbor, Thomaston
The Forks	Bingham, The Forks	Jackman
Thomaston	Rockland, Tenants Harbor, Thomaston, Waldoboro	
Van Buren	Grand Isle, St. Leonard N.B. (IC), Van Buren	Caribou, Limestone, New Sweden
Vanceboro	McAdam N.B. (IC), Vanceboro	Princeton

(Issued: August 4, 2006) Proposed Effective: September 3, 2006 Effective: September 3, 2006

Docket No. 2006-128

To be implemented on September 4, 2006.

Verizon New England Inc. d/b/a/ Verizon Maine

**Exchange and Network Services** Part A Section 6 Page 10 First Revision Canceling Original

### Local Service Areas and Other Exchange Services 6.

#### **Local Service Areas** 6.1

t ocal Service Callin	alling Area Exhibit 6.1.14 ng Areas (an asterisk* desig	nates a noncontiguous exchange)
Exchange or Locality	Economy Local Service Calling Area	Premium Local Service Calling Area (includes the Economy Local Service Calling Area)
		Rockland, Vinal Haven
/inal Haven Naldoboro	Thomaston, Waldoboro	Bremen (IC), Damariscotta (IC), North Whitefield, Warren (IC), Washington (IC), Union (IC)
Washburn	Caribou, Presque Isle, Washburn	Ashland, New Sweden
Waterville	Fairfield, Oakland, Sidney (IC), Waterville	Albion (IC), Augusta, China (IC) Clinton*, East Vassalboro (IC), Norridgewock* (IC)
	Kennebunk, Wells, York	North Berwick, Sanford
Wells West Lebanon Locality	Milton NH, Milton Mills NH, Rochester NH*, South Lebanon Locality, West Lebanon	Acton Locality*, Lebanon
Westbrook	Gorham, Portland, Westbrook, Windham	Scarborough*
Wilsons Mills Locality	Errol NH, Milan NH*, Wilson's Mils	Upton (IC)
Wilton	Farmington, Livermore Falls, Wilton	Canton (IC), Dixfield, Weld (IC)
Windham	Gorham, Portland, Westbrook, Windham	Cumberland, Gray/West Gray (IC), Raymond (IC), Standish (IC)
	Sullivan, Winter Harbor	Milbridge
Winter Harbor Winterport	Orrington, Winterport	Bangor*, Belfast, Bucksport, Hampden (IC), Newburg (IC), Monroe, Searsport, Stockton Springs (IC)
Wiscasset	Bath, Boothbay Harbor, Wiscasset	Damariscotta, Richmond, Sheepscot
Woodland		Calais, Princeton, Woodland
	Danforth, Wytopitlock	Kingman
Wytopitlock Yarmouth	Cumberland, Freeport, Portland, Pownal, Yarmouth	Gray*/West Gray* (IC)
York	Kittery Locality, Wells, Yorkl	North Berwick, Portsmouth NH*, South Berwick

(Issued: October 16, 2003) Proposed Effective: November 15, 2003 Effective: Effective: November 15, 2003

Docket No. 2003-483

To be implemented on December 15, 2003.

Verizon New England Inc. d/b/a/ Verizon Maine

**Exchange and Network Services** Part A Section 6 Page 11 Second Revision **Canceling First Revision** 

### Local Service Areas and Other Exchange Services 6.

#### **Local Service Areas** 6.1

6.1.1 Local Service Calling Ar	eas
Local Service Ind	Exhibit 6.1.1-2 ependent Telephone Company Exchanges
Independent Telephone Company	Exchange
China	China, East Vassalboro, South China
Cobbossecontee	West Gardiner
Community Service	Greene, Leeds, Litchfield, Monmouth, Mt. Vernon, Winthrop
Hampden	Etna, Hampden
Hartland and St. Albans	Harmony, Hartland, West Ripley
Lincolnyille	Lincolnville, Lincolnville Beach
Maine	Casco, Naples, Poland, Raymond
Mid-Maine	Alton, Levant, Old Town Rural, Plymouth, West Enfield
New Brunswick	Edmundston N.B., McAdam N.B., St. Leonard N.B., St. Stephen N.B.
Northland	Brooks, Eagle Lake, Fort Kent, Fryeburg, Kingman, Lee, Liberty, Lovell, North Lovell, Mattawamkeag, Morrili, Palermo, Smyma Mills, Stockton Springs, Washington
O 5-14 County	Buckfield, Canton, Turner, West Paris, Sumner
Oxford County Oxford West	Andover, Bethel, Bryant Pond, Hebron, Locke Mills, North Norway, Roxbury Pond, Upton
	Gray, New Gloucester, West Gray
Pine Tree	Bar Mills, Waterboro, West Buxton
Saco River	Sidney
Sidney Somerset	Athens, Embden Lake, New Vineyard, Norridgewock, North Anson, North New Portland, Mercer, Moosehom, Phillips, Rome, Smithfield, Solon, Stratton, Strong, Weld
Oleration	Denmark, Limington, Sebago, Standish, Steep Falls
Standish	Bremen, Damariscotta, Sheepscot, Union
Tidewater	Albion, Newburgh, Unity
Unitel	Aurora, Beddington, Otis
Union River	Warren
Warren	Corinna, Exeter, Jonesboro, Stetson
West Penobscot	Continued Exposite Land

(Issued: February 19, 2004) Proposed Effective: March 20, 2004 Effective: March 20, 2004

#### PUBLIC UTILITIES COMMISSION 65-407

Chapter 204: BASIC SERVICE CALLING AREAS

SUMMARY: This Chapter establishes the criteria and the procedures that the Commission and Local Exchange Carriers designated as Eligible Telecommunications Carriers will follow to establish and change basic service calling areas.

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### SECTION 1. PURPOSE AND APPLICABILITY

- A. Purpose. The purpose of this Chapter is to create a statewide system for establishing basic service calling areas (BSCAs) and calling options within those BSCAs that permit customers to select calling rates and rate structures suited to their calling patterns.
- B. Applicability. This Chapter applies to all local exchange carriers that are subject to the Commission's jurisdiction and that the Commission has designated as "Eligible Telecommunications Carriers."

### SECTION 2. DEFINITIONS

- A. Basic-Service Calling Area. "Basic-Service Calling Area" (BSCA) is the local (non-interexchange) calling area of the "home exchange" of a customer of a "local exchange carrier," as defined in this section. The BSCA includes all exchanges that were in the BSCA prior to the amendments effective in December 2002 plus all exchanges that are contiguous to the home exchange that were not included prior to the December 2002 amendments. Within a BSCA, there may be Economy and Premium calling options with flat-rate and per-minute pricing as specified in the definitions of those options and in Section 5. For all options, the BSCA includes all of the exchanges that are included in the calling option with the largest flat-rate calling area.
- B. Commission. "Commission" means the Maine Public Utilities Commission.
- Contiguous Exchange. An exchange is "contiguous" to another exchange if any portions of the exchange boundaries of the two exchanges touch each other. If the boundaries touch each other only in a body of water, the two exchanges shall not be considered contiguous for the purpose of this Chapter unless a bridge or causeway capable of carrying motor vehicle traffic crosses the body of water and connects land portions of the two exchanges.
- D. Customer. For the purpose of this chapter, a "Customer" is a person who has an account for basic local exchange telephone service in Maine from a local exchange carrier.
- E. December 2002 Amendments. "December 2002 amendments" refers to the amendments to Chapter 204 effective in December 2002, pursuant to the rulemaking proceeding in Docket Number 2001-865.
- F. Economy Calling Option. The "Economy Calling Option" is a basic-service calling area option that has a flat monthly rate for unlimited calling within the home exchange and, unless otherwise ordered by the Commission, all exchanges that were included in the home exchange's Economy calling area immediately before the December 2002 amendments, and a per-minute charge for calls to other exchanges within the BSCA. If an exchange is served by more than one central office or wire center and its Premium calling area includes more than 50,000 access lines, the Economy calling area is the home exchange.

- G. Eligible Telecommunications Carrier (ETC). An "Eligible telecommunications carrier" is a local exchange carrier designated by the Commission pursuant to 47 U.S.C. § 214(e) as an eligible telecommunications carrier for the purpose of receiving universal service funding pursuant to 47 U.S.C. § 254.
- H. Exchange. "Exchange" is a specific geographic area with boundaries established by a Telephone Utility's service area maps on file with the Commission as part of the Utility's Terms and Conditions. An exchange may include one or more wire centers or central offices.
- I. Home Exchange. The "Home exchange" is the exchange in which the customer's telephone line is located and from which the customer receives local exchange service. For the purpose of this Chapter, if a customer subscribes to foreign exchange service, the "foreign" exchange shall be considered a "home" exchange for that customer. All customers of a "home" exchange may choose one of the basic-service calling area options available in that exchange if more than one is available..
- J. Local Exchange Carrier (LEC). For the purpose of this Chapter, "Local exchange carrier" or "LEC" means a telephone utility, as defined by 35-A M.S.R.A. § 102 (19), that provides local exchange service and is designated by the Commission as an "eligible telecommunications carrier." A local exchange carrier provides loop and local switching services, to customers in an exchange, either directly or through resale.
- K. Municipal Calling. "Municipal Calling" is provided to all customers of a local exchange carrier as part of basic local exchange service and allows a customer to call all other customers located in the municipal civil division in which the calling customer receives telephone service without incurring additional charges, regardless of the exchange that serves the telephone lines of the other customers.
- L. Premium Option. The "Premium Option" is a Basic Service Calling Area option that has a flat monthly rate for unlimited calling from the Home Exchange to the all of the exchanges within the BSCA. Exchanges in which the Premium and the Economy options are identical are classified as having only a Premium calling area.
- M. Rate Group. A "rate group" is a rate classification for local exchange service contained in the terms and conditions of a local exchange carrier. A rate group typically classifies rates for the home exchange according to the number of lines that may be called within the BSCA of the home exchange.
- N. Residential Customer. A "residential customer" is a customer who has telephone service at a dwelling and the service is used primarily for domestic or social purposes. All other customers are non-residential customers.
- O. School Administrative Unit. "School Administrative Unit" is defined in 20-A M.R.S.A. § 1(26). For the purpose of this Chapter, a School Administrative Unit includes School Administrative Districts (SADs), as defined in 20-A M.R.S.A. § 1(25) and Community School Districts, as defined in 20-A M.R.S.A. §§ 1(5) and 1601(1).

- P. Service Center. A "Service Center" is a town or city designated by the Maine State Planning Office (SPO) as a regional service center in Chapter 220 of its rules, Methodology For Identification of Regional Service Centers.
- Q. Single Exchange BSCA. A "single exchange BSCA" is a Basic-Service Calling Area that includes only the home exchange.

## SECTION 3. BASIC SERVICE CALLING AREA OPTIONS

- A. Customer Options for Basic Service Calling Areas.
  - Options Available Following Additions to BSCA.
    - a. General Rule. When additional exchanges are added to a BSCA (including pursuant to the December 2002 amendment to this Chapter that requires the inclusion of all contiguous exchanges), flat-rate unlimited calling to those exchanges shall be included in the exchange's Premium calling option rather than the Economy option.
    - b. Proposal for Exception. The Commission may grant an exception to the general rule contained in sub-paragraph (a) if it concludes that the inclusion of flat-rate unlimited calling to the new exchanges in the Premium option, rather than in the Economy option, is likely to result in a rate for the Premium Option that is so high that it is likely to deter customers from subscribing to the option. If a LEC proposes this exception, it shall first establish that it cannot address the matter through the rate design for the two options pursuant to Section 5(A). Pursuant to this exception, the Commission may order that flat-rate unlimited calling to some or all of the additional exchanges be added to the Economy option.
  - Options Available After Additions to BSCA If Home Exchange Had Only Premium Option.
    - a. General Rule. If, prior to the addition of a new exchange to a BSCA, the home exchange had only a Premium option, the revised Premium option will provide flat-rated unlimited calling to the entire BSCA, and the previous Premium option will become the flat-rated unlimited calling area of the Economy option.
    - b. Proposal for Exception. At the request of a LEC or other person, the Commission may order that the LEC continue to provide only the premium option if, under the two options, there would be only a minimal difference between the number of exchanges and access lines available on a flat-rate unlimited calling basis.

Selection by Customers. A customer of a local exchange carrier may choose from the B. following options if both are available in the customer's home exchange:

Document 56-21

- Premium Option, priced at a flat monthly rate for unlimited calling to all of the 1. exchanges included in the BSCA; and
- Economy Calling Area Option, priced at a flat monthly rate for unlimited calling 2. within the exchanges included in the flat-rated portion of the Economy option and at a per-minute rate for calls made to all other exchanges within the BSCA.
- Unavailability of Options When Options Identical. If, in a home exchange, both C. options as defined in Section 2 are identical, the option in that exchange will be classified as Premium.
- Municipal Calling. Subscribers to all calling options shall receive municipal calling D. without incurring interexchange toll charges or per-minute charges established pursuant to Section 5(B) of this Chapter.

#### IMPLEMENTATION OF BSCA OPTIONS SECTION 4.

- Filing of Rate Schedules and Terms and Conditions. Within 56 days (8 weeks) following the establishment of any new or changed BSCA, or any additional calling A. option within a BSCA, each LEC shall file any necessary change to its rate schedules and terms and conditions.
- Customer Notice. Within 56 days (8 weeks) following Commission approval of any changes in rates or terms and conditions filed pursuant to Section 4(A), Local Exchange В. Carriers shall send a notice to each customer served by a home exchange in which a change to a BSCA or to a calling option will take place. The LEC shall provide a copy of the notice to the Commission. The notice will provide the following information:
  - A description of the Economy and Premium options, a list of the exchanges included in each option, and the rates for each option, including the flat rates 1. under each option for unlimited calling to the exchanges for which the flat rates apply, and the per-minute rate for calls to the exchanges in the Economy option for which per-minute rates apply;
  - A statement that the customer is entitled to receive municipal calling regardless 2. of which option the customer chooses; and information about:
    - How to obtain municipal calling if the customer is presubscribed to interexchange service other than that provided by or through the local a. exchange carrier, and
    - How to obtain municipal calling or corrections to bills if the customer is presubscribed to interexchange service provided by or through the local b. exchange carrier and interexchange toll or per-minute BSCA charges for

calls within the customer's municipality incorrectly appear on the customer's bill;

- 3. A statement that sets a deadline of 56 days (8 weeks) from the mailing of the notice and that advises customers that they may select the Economy or the Premium option prior to the deadline and informs customers of the default option if they do not select. Unless otherwise ordered by the Commission, whenever there is a change in the BSCA options in a home exchange, the default option for customers who have subscribed to an option at the time of change is the option to which a customer is then subscribed.
- C. Directory Notice. The information contained in §§4(B)(1) and (2) will appear in the introductory pages of all LEC telephone directories.
- D. Implementation Date. Companies will implement Economy and Premium options within 35 days following the deadline for customers to choose a BSCA option under Section 4(B).
- E. Telephone Directories. LECs must distribute annually to each customer, at no charge, a telephone directory or directories that include(s) the "white" alphabetical listings for each exchange in the customer's BSCA.

## SECTION 5. RATES FOR BASIC SERVICE CALLING AREA OPTIONS

## A. Rates for BSCA Options

When a LEC implements new or modified BSCAs, it may propose monthly Economy and Premium option rates for the recovery of additional equipment and administrative costs and revenue losses resulting from the provision of the new or modified BSCA calling options. The Commission shall review and approve the rates. Beyond any rate increase that may occur as a result of a change in a home exchange's rate group, rate increases shall apply to a specific exchange or to several exchanges and to each option as follows:

- Exchanges. When the BSCA of a home exchange is increased, the LEC may propose:
  - a. Rates for the home exchange that will recover the costs and revenue losses that occur as a result of the change in the BSCA; or
  - b. Rates for other exchanges that, in combination with rate increases for the home exchange, will recover some of the costs and revenue losses if the rates for the home exchange under sub-paragraph a would be substantially higher than rates for other exchanges served by the LEC that have equivalent calling areas; or
  - c. Rates for all or most of the LEC's exchanges that will recover the costs and revenue losses associated with the change in BSCA when it applies

generally to all or most of the LEC's exchanges, as when a change in this Chapter requires a systematic change in the definition of BSCAs or calling options.

- Options. Generally, when the number of exchanges in a BSCA increases, the rates of the option that receives the greater change in flat-rate unlimited calling should increase by a relatively greater amount than the rates for the other option. A LEC may propose a different balance if:
  - a. Increasing the rates for the economy option would result in rates for the two options that are too similar; or
  - b. The rates for the premium option would be so high that they would be likely to deter customers from subscribing to that option.
- B. Per-Minute Rates for BSCA Exchanges Outside the Flat-Rate Calling Area. Calls made from the home exchange to exchanges that are within the BSCA but not included in the flat-rate unlimited-calling portion of the Economy option shall be priced at five cents per minute for customers who subscribe to the Economy option unless the call is to the same municipality. Once each year, the Commission, after reviewing competitive interexchange market conditions, may adjust the rate.
- C. Tracking Account and Filing Requirements for New or Revised Options; Subsequent Rate Adjustments.
  - Tracking Account. Each LEC must maintain a tracking account, by exchange, that records the revenue effects of the BSCA options for the first 12 months after any changes to the BSCA or after BSCA options have been implemented or updated.
  - 2. Reporting Requirements; Rate Adjustments. Within 56 days (8 weeks) after the 12-month tracking period, the Company must file a written report with the Commission that shows the revenue effects of the BSCA options for the first 12 months after a change to the BSCA or after a BSCA calling option has been added or changed. If the tracking account has a positive balance, the LEC must file a proposal to return the excess to customers and to lower prospective rates with its report. If the tracking account has a negative balance, the LEC may file proposed rates for Commission review to recover the shortfall that occurred during the 12-month deferral period and for the period following the 12-month deferral period but prior to the effective date of any revised rates, and to adjust prospective rates to avoid a similar revenue shortfall in the future. Following review, the Commission, as provided in 35-A M.R.S.A. § 1306(1), may approve or disapprove the proposed rates or may substitute other rates that it finds are just and reasonable.

## SECTION 6. REQUESTS FOR CHANGES TO BSCAs AND CALLING OPTIONS

- A. Requests by Local Exchange Carrier. A LEC may ask the Commission to modify the BSCA for an exchange or any calling option for that exchange, notwithstanding any other provision of this Chapter.
  - 1. Contents of Request. The LEC must make the request in writing. The request must explain and justify why the Commission should grant the request, must propose a reasonable alternative to any requirement of the Rule that the LEC has proposed should not apply, and must describe how granting the request would be consistent with the purpose of this Rule. The LEC must send a copy of the request to the Public Advocate.
  - 2. Consideration by Commission. The Commission will determine whether and how to solicit comments from interested persons. The Commission, at its discretion, may hold a hearing. The Commission will consider the LEC's written request, any comments or testimony, or other evidence, and the standards contained in subsection C, in determining whether to grant, deny, or modify the request.
- B. Requests by Customers. Customers may request the Commission to modify the BSCA for an exchange or any calling option for that exchange, notwithstanding any other provision of this Chapter. Customers must first ask the LEC to attempt to resolve their concerns. If the LEC is unable or unwilling to resolve the customers' concerns, the customers may request the Commission to change the BSCA of a home exchange or the calling options available in that exchange as follows:
  - 1. Form of Request. Fifty customers in the same exchange may request a modification to the BSCA for that exchange or to calling options for that BSCA. The customers must make the request in writing, and must include the names, addresses, telephone numbers, and signatures of each customer of the exchange who is making the request. The request must identify the lead customer, who will serve as the principal point of contact for the petitioners. The request should set forth the circumstances justifying the request, including any efforts made by the petitioners to obtain relief from the LBC.
  - 2. Procedure for Requests from Customers in a Single Exchange BSCA. For requests from customer in a single exchange BSCA, the Commission will open a proceeding to investigate expanding the BSCA that is the subject of the request and will hold at least one public hearing. Within six (6) months of the filing of the written petition, the Commission will issue an order that either expands the BSCA or states the Commission's reasons for declining to expand the basic service calling area. In making its determination, the Commission will consider the customers' written request, and any comments, testimony, or other evidence, and the standards contained in subsection C.
  - Procedure for Requests from Customers in Other Exchanges. For requests
    from customers from an exchange that is not a single exchange BSCA, the
    Commission will determine whether and how to solicit comments from

interested persons. The Commission, at its discretion, may hold a hearing. The Commission will consider the customers' written request, any comments, testimony or other evidence, and the standards contained in subsection C, in determining whether to grant, deny, or modify the request.

## Standards Applicable to Requests for Expansion.

- Calling Volumes. The Commission may require the affected LEC(s) to conduct 1. a study of residential customer calling volumes to any exchange that the LEC or customers have requested be included in a BSCA option. If, in a representative month, residential customers in the home exchange make an average of three calls a month, and 40% of those customers make two or more calls a month to the requested exchange, the Commission shall grant the request for the change in the BSCA unless it finds good cause to deny the request.
- Other Considerations. The Commission shall apply the following standards to 2. requests submitted under this Section. The Commission may grant a request for the expansion of the BSCA or for the addition of exchanges on a flat-rate unlimited-calling basis to one of the calling options for the BSCA if it determines that a sufficient community of interest exists between the community or communities located in the customers' home exchange and the community or communities located in the exchanges that the customers propose to add to the basic-service calling area or to a calling option, and if the Commission determines that the benefits are not outweighed by other factors. In determining whether a sufficient community of interest exists, the Commission will consider both social and economic factors including, but not limited to, the extent of the relationship between the two communities, employment patterns, the location of medical service providers, the location of regional service centers, the location of schools, the municipalities and other areas that are included in school administrative units, the percentage of people from the exchange requesting the modification, the seasonality of calling patterns, the level of community sentiment, whether the exchange is a "skipped-over" exchange, and the level of disparity between customers making a large number of calls to the proposed community and customers making no calls to that community. Other factors the Commission may consider in deciding whether to grant a customer request include, but are not limited to, the availability of optional toll calling plans and the number of subscribers to those plans, the number of lines currently served, the cost, revenue and rate impacts of expanding the calling area, and the availability of alternatives to traditional telephone services.

### SECTION 7. WAIVERS

The Commission, on its own motion or on the request of any person, may waive any provision of this rule that is not addressed by the provisions of Section 6.

## STATUTORY AUTHORITY: 35-A M.R.S.A. §§ 104, 111, 301, 7303-A

### EFFECTIVE DATE:

The Attorney General approved the form and legality of this Rule on June 20, 1994. It was filed with the Secretary of State on June 20, 1994 and is effective on June 25, 1994.

# EFFECTIVE DATE (ELECTRONIC CONVERSION): May 4, 1996

### AMENDMENTS:

The Attorney General approved the form and legality of this Rule as amended on October 9, 2001. It was filed with the Secretary of State on October 9, 2001 and became effective on October 14, 2001.

The Attorney General approved the form and legality of this Rule as further amended on December 11,, 2002. It was filed with the Secretary of State on December 12, 2002 and became effective on December 17, 2002.

Extended Local Calling Scope Arrangement. An arrangement that provides a Customer a local calling scope (Extended Area Service, "EAS"), outside of the Customer's basic exchange serving area. Extended Local Calling Scope Arrangements may be either optional or non-optional. "Optional Extended Local Calling Scope Arrangement Traffic" is traffic that under an optional Extended Local Calling Scope Arrangement chosen by the Customer terminates outside of the Customer's basic exchange serving area.

FCC. The Federal Communications Commission

FCC Regulations. The unstayed, effective regulations promulgated by the FCC, as amended from time to time.

FCC Internet Order. Order on Remand and Report and Order, In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Compensation for ISP Bound Traffic, FCC 01-131, CC Docket Nos. 96-98 and 99-68, (adopted April 18, 2001).

Internet Traffic. Any traffic that is transmitted to or returned from the Internet at any point during the duration of the transmission.

Merger Order. The FCC's Order "In re Application of GTE Corporation, Transferor, and Bell Atlantic Corporation, Transferee, For Consent to Transfer of Control of Domestic and International Section 214 and 310 Authorizations and Application to Transfer of a Submarine Cable Landing License", Memorandum Opinion and Order, FCC CC Docket No. 98-184, FCC 00-221 (June 16, 2000), as modified from time to time.

Measured Internet Traffic. Dial-up, switched Internet Traffic originated by a Customer of one Party on that Party's network at a point in a Verizon local calling area, and delivered to a Customer or an Internet Service Provider served by the other Party, on that other Party's network at a point in the same Verizon local calling area. Verizon local calling areas shall be as defined by Verizon. For the purposes of this definition, a Verizon local calling area includes a Verizon non-optional Extended Local Calling Scope Arrangement, but does not include a Verizon optional Extended Local Calling Scope Arrangement. Calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis, are not considered Measured Internet Traffic.

Reciprocal Compensation. The arrangement for recovering, in accordance with Section 251(b)(5) of the Act, the FCC Internet Order, and other applicable FCC orders and FCC Regulations, costs incurred for the transport and termination of Reciprocal Compensation Traffic originating on one Party's network and terminating on the other Party's network (as set forth in Attachment I to this Amendment.

Reciprocal Compensation Traffic. Telecommunications traffic originated by a Customer of one Party on that Party's network and terminated to a Customer of the other Party on that other Party's network, except for Telecommunications traffic that is interstate or

intrastate Exchange Access, Information Access, or exchange services for Exchange Access or Information Access. The determination of whether Telecommunication traffic is Exchange Access or Information Access shall be based upon Verizon's local calling areas as defined by Verizon. Reciprocal Compensation Traffic does <u>not</u> include: (1) any Internet Traffic; (2) traffic that does not originate and terminate within the same Verizon local calling area as defined by Verizon; (3) Toll Traffic, including, but not limited to, calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis; (4) Optional Extended Local Calling Scope Arrangement Traffic; (5) special access, private line, Frame Relay, ATM, or any other traffic that is not switched by the terminating Party; (6) Tandem Transit Traffic; or, (7) Information Service Traffic. For the purpose of this definition, a Verizon local calling area includes a Verizon non-optional Extended Local Calling Scope Arrangement, but does not include a Verizon optional Extended Local Calling Scope Arrangement.

Switched Exchange Access Service. The offering of transmission and switching services for the purpose of the origination or termination of Toll Traffic. Switched Exchange Access Services include but may not be limited to: Feature Group A, Feature Group B. Feature Group D, 700 access, 800 access, 888 access and 900 access.

### Tariff.

- a) Any applicable Federal or state tariff of a Party, as amended from time-to-time; or
- b) Any standard agreement or other document, as amended from time-totime, that sets forth the generally available terms, conditions and prices under which a Party offers a Service.

Toll Traffic. Traffic that is originated by a Customer of one Party on that Party's network and terminates to a Customer of the other Party on that other Party's network and is not Reciprocal Compensation Traffic, Measured Internet Traffic, or Ancillary Traffic. Toll Traffic may be either "IntraLATA Toll Traffic" or "InterLATA Toll Traffic", depending on whether the originating and terminating points are within the same LATA.

Traffic Factor 1. For traffic exchange via Interconnection Trunks, a percentage calculated by dividing the number of minutes of interstate traffic (excluding Measured Internet Traffic) by the total number of minutes of interstate and intrastate traffic. ([Interstate Traffic Total Minutes of Use {excluding Measured Internet Traffic Total Minutes of Use} ÷ {Interstate Traffic Total Minutes of Use} + Intrastate Traffic Total Minutes of Use}] x 100). Until the form of a Party's bills is updated to use the term "Traffic Factor 1," the term "Traffic Factor 1" may be referred to on the Party's bills and in billing related communications as "Percent Interstate Usage" or "PIU."

Traffic Factor 2. For traffic exchange via Interconnection Trunks, a percentage calculated by dividing the combined total number of minutes of Reciprocal Compensation Traffic and Measured Internet Traffic by the total number of minutes of intrastate traffic. ([{Reciprocal Compensation Traffic Total Minutes of Use + Measured Internet Traffic Total Minutes of Use] × 100).

Verizon Finance - Local Interconnection Billing 125 High Street Boston, Massachusetts 02110 Phone: 617-743-2017 Fax: 617-743-2519 Bill Specialist Brian Murray brian.k.murray@core.verizon.co m

February 16, 2006

Lightship Telecomm Attn: Darren Kreitler - CABS Billing One Executive Park Drive Bedford Executive Office Park Bedford, NH 03110-6913 Facsimile: 2156419790 Email: dkreitler@lightship.com

## Dear Darren Kreitler:

This letter is notification that Verizon - Maine is disputing charges totaling \$544,788.72 on Invoice 024287F30106032 dated February 01, 2006 for account M91024287F 301.

## INVOICE CHARGES DISPUTED

In accordance with the FCC's April 18, 2001 Order governing intercarrier compensation for Internet traffic, effective June 14, 2001, traffic exceeding a 3:1 ratio of terminating to originating traffic is presumed to be Internet traffic. In accordance with the order noted above, from June 14, 2001 through December 13, 2001 compensable Internet minutes are rated at \$0.0015 per minute. From December 14, 2001 through June 13, 2003, compensable Internet minutes are rated at \$0.0010 per minute. From June 14,2003 until the FCC takes further action, compensable Internet minutes are rated at \$0.0007 per minute.

Lightship Telecomm billed Verizon for local and/or Internet traffic delivered from the following bill periods at the given rates per minute:

From 12/1/2005 to 12/31/2005 at \$.008/MOU From 1/1/2006 to 1/31/2006 at \$.008/MOU

The disputed charges totaling \$421,026.99, represent the difference between the amount that CLEC charged Verizon, and the amount due under the FCC's order.

Verizon is disputing \$450.00 in Late charges. Verizon will not pay Late charges on balances that were previously disputed.

Verizon is disputing \$123,307.34 for an imbalance in reported Minutes of Use (MOUs). During February 2006, Lightship Telecomm billed Verizon for terminating the following minutes:

8,189,578 MOU for EO Local Switching from 1/1/2006 to 1/31/2006

Based on data from Verizon's measurement systems, the traffic Lightship Telecomm terminated for Verizon was 6,437,994 MOUs. Verizon is disputing the difference between the MOUs billed by Lightship Telecomm, and the Verizon measured MOUs.

Verizon wants to work with Lightship Telecomm in resolving outstanding billing disputes between our companies. Please contact me at 617-743-2017 at your earliest convenience to discuss the disputes on this invoice.

Sincerely,

Brian Murray

Verizon Finance - Local Interconnection Billing 125 High Street Boston, Massachusetts 02110 Phone: 617-743-2017 Fax: 617-743-2519 Bill Specialist Brian Murray brian.k.murray@core.verizon.co

March 23, 2006

Lightship Telecomm
Attn: Darren Kreitler - CABS Billing
One Executive Park Drive
Bedford Executive Office Park
Bedford, NH 03110-6913
Facsimile: 2156419790
Email: dkreitler@lightship.com

Dear Darren Kreitler:

This letter is notification that Verizon - Maine is disputing charges totaling \$505,352.50 on Invoice 024287F30106060 dated March 01, 2006 for account M91024287F 301.

## INVOICE CHARGES DISPUTED

In accordance with the FCC's April 18, 2001 Order governing intercarrier compensation for Internet traffic, effective June 14, 2001, traffic exceeding a 3:1 ratio of terminating to originating traffic is presumed to be Internet traffic. In accordance with the order noted above, from June 14, 2001 through December 13, 2001 compensable Internet minutes are rated at \$0.0015 per minute. From December 14, 2001 through June 13, 2003, compensable Internet minutes are rated at \$0.0010 per minute. From June 14,2003 until the FCC takes further action, compensable Internet minutes are rated at \$0.0007 per minute.

Lightship Telecomm billed Verizon for local and/or Internet traffic delivered from the following bill periods at the given rates per minute:

From 1/1/2006 to 1/31/2006 at \$.008/MOU From 2/1/2006 to 2/28/2006 at \$.008/MOU

The disputed charges totaling \$392,387.07, represent the difference between the amount that CLEC charged Verizon, and the amount due under the FCC's order.

Verizon is disputing \$450.00 in Late charges. Verizon will not pay Late charges on balances that were previously disputed.

Verizon is disputing \$112,510.97 for an imbalance in reported Minutes of Use (MOUs). During March 2006, Lightship Telecomm billed Verizon for terminating the following minutes:

7,478,216 MOU for EO Local Switching from 2/1/2006 to 2/28/2006

Based on data from Verizon's measurement systems, the traffic Lightship Telecomm terminated for Verizon was 5,873,724 MOUs. Verizon is disputing the difference between the MOUs billed by Lightship Telecomm, and the Verizon measured MOUs.

Verizon may request that Lightship Telecomm provide Records of the calls completed in a 24 hour period during the current Bill Period covered on this invoice. Verizon may also request that Lightship

Verizon wants to work with Lightship Telecomm in resolving outstanding billing disputes between our companies. Please contact me at 617-743-2017 at your earliest convenience to discuss the disputes on this invoice.

Sincerely,

Brian Murray

Lightship Telecom, LLC

Bedford Executive Office Park

One Executive Park Drive

Bedford, NH 03110-0000

\* PLEASE REVIEW THIS BILLING PACKAGE CLOSELY. \* THERE MAY BE UP TO SIX INDIVIDUAL INVOICES ATTACHED. \* THEY WILL BE DESIGNATED AS FOLLOWS: INVOICE FEATURE GROUP A имимимими 001 BILL NO INVOICE FEATURE GROUP B имимимими 101 BILL NO INVOICE FEATURE GROUP C имимимими 201 BILL NO INVOICE FEATURE GROUP D имимимими 301 BILL NO INVOICE имимимими 401 PICC BILL NO FACILITY ACCESS INVOICE имимимими 601 BILL NO \* EACH INVOICE HAS AN INDIVIDUAL BALANCE DUE. PLEASE \* REMIT THE TOTAL AMOUNT DUE FOR EACH INVOICE BY THE DATE \* SHOWN. THANK YOU. \*\*\*\*\*\*

Verizon Communications 125 High Street Room 655 Boston, MA

Attn: LIB 02110-0000

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Lightship Telecom, LLC Bedford Executive Office Park One Executive Park Drive

Bedford, NH 03110-0000

BAN

M91024287F 301

INVOICE NO

024287F301-05060

COMPANY CODE

4287

BILL DATE

MAR 01, 2005

1 PAGE

M09102

Verizon Communications

125 High Street

Room 655

Boston, MA

Attn: LIB 02110-0000

FOR INT USE:

ME.

BILLING INQUIRIES CALL. 603-314-2760

SWITCHED ACCESS SERVICE

FEATURE GROUP D

\* \* \* BALANCE DUE INFORMATION \* \* \*

TOTAL AMOUNT OF LAST BILL

Page 2

2,264,501.66

PAYMENTS APPLIED - SEE DETAIL	542,968.99-				
ADBUSTMENTS APPLIED - SEE DETAI	445,115.84-				
TOTAL BALANCE DUE	1,276,416.83				
* * * DETAIL OF CURRENT CHARGES * * *					
MONTHLY ACCESS CHARGES		.00			
FROM MAR 01 THRU MAR 31					
INTERSTATE	.00				
INTRASTATE	.00				
		4,395.36			
OTHER CHARGES AND CREDITS - SE	E DETAIL .00	1,200			
INTERSTATE	4,395.36				
INTRASTATE	4,553.50				
USAGE CHARGES - SEE DETAIL		877,407.14			
INTERSTATE	.00				
INTRASTATE	289,613.42				
LOCAL	587,793.72				
		.00			
TAXES/SURCHARGES - SEE DETAIL					
TOTAL CURRENT CHARGES * DUE BY MAR 31 *					
	TOTAL AMOUNT DUE	2,158,219.33			
****** REMITTANCE PAGE ****					
SEND THIS PAGE WITH	- PLEASE INCLUDE INVOICE	NUMBER ON YOUR			
PAYMENT TO:	CHECK.				

Page 3

Lightship Telecom, LLC

BAN

M91024287F 301

Attn: Accounts Receivable

INVOICE NO

024287F301-05060

One Executive Park Drive

COMPANY CODE

4287

Bedford NH 03110-0000

BILL DATE

MAR 01, 2005

PAGE 2

M09102

- <u>`</u>

Verizon Communications

125 High Street

ROOM 655

Boston, MA

Attn: LIB 02110-0000

FOR INT USE:

BILLING INQUIRIES CALL 603-314-2760

ΜE

## SWITCHED ACCESS SERVICE

## FEATURE GROUP D

# \* \* \* BALANCE DUE INFORMATION \* \* \*

TOTAL AMOUNT OF LAST BILL

2,264,501.66

PAYMENTS APPLIED - SEE DETAIL

542,968.99-

ADJUSTMENTS APPLIED - SEE DETAIL

445,115.84-

1,276,416.83

\* \* \* DETAIL OF CURRENT CHARGES \* \* \*

MONTHLY ACCESS CHARGES

.00

FROM MAR 01 THRU MAR 31

INTERSTATE

.00

INTRAȘTATE

.00

STATE Pac

Page 4

4,395.36 OTHER CHARGES AND CREDITS - SEE DETAIL .00 INTERSTATE .00 INTRASTATE 877,407.14 USAGE CHARGES - SEE DETAIL .00 INTERSTATE 289,613.42 INTRASTATE 587,793.72 LOCAL .00 TAXES/SURCHARGES - SEE DETAIL 881,802.50 

TOTAL AMOUNT DUE

2,158,219.33

Lightship Telecom, LLC Bedford Executive Office Park One Executive Park Drive Bedford, NH 03110-0000

M91024287F 301 024287F301-05060 INVOICE NO 4287 COMPANY CODE

MAR 01, 2005 BILL DATE

> 3 PAGE

M09102

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**Verizon Communications** 

125 High Street

Room 655

Boston, MA

Attn: LIB 02110-0000

FOR INT USE:

Page 5